

THE ALGOMA STEEL CORPORATION, LIMITED



# STATISTICAL SUPPLEMENT TO 1973 ANNUAL REPORT

The new No. 2 basic oxygen steel plant in the foreground increases steelmaking capacity to more than 4 million tons annually.





# significant statistics 1964-1973

## COMPOSITION OF CONSOLIDATED SALES

	1973	1972	1971	1970	1969	1968	1967	1966	1965	1964
	%	%	%	%	%	%	%	%	%	%
Steel products - - - - -	93	93	92	92	88	91	90	91	89	88
Pig iron - - - - -	4	4	4	3	6	5	6	6	8	8
Sinter - - - - -					1	1	1	1	1	1
Coke, coal chemicals and sundry - - - - -	3	3	4	5	5	3	3	2	2	3
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

The composition of consolidated sales has been fairly constant during the past four years resulting from a steady growth in the sales of all product lines.

## STEEL SHIPMENTS BY PRODUCT CLASSIFICATION

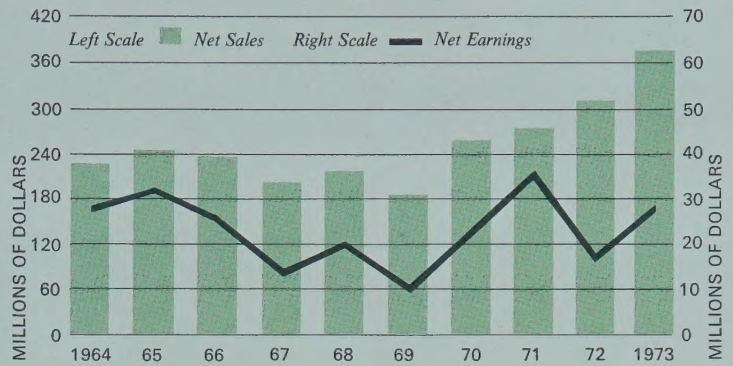
	1973	1972	1971	1970	1969	1968	1967	1966	1965	1964
	%	%	%	%	%	%	%	%	%	%
Plate and sheet products - - - - -	57	56	50	47	48	46	45	44	43	38
Structurals, including wide flange beams - - -	21	23	23	24	24	21	21	22	19	21
Rails and fastenings - - - - -	8	6	9	7	8	5	7	7	5	7
Bars and grinding media - - - - -	5	5	5	5	5	6	6	5	5	5
Tube rounds, seamless tubes and skelp - - -	8	10	9	12	11	15	11	13	18	22
Semi-finished - - - - -	1		4	5	4	7	10	9	10	7
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

Plate and sheet products continue to represent a higher proportion of total steel shipments.

Trends and data shown were influenced to a large extent in 1971 by a \$21.5 million extraordinary addition to earnings.

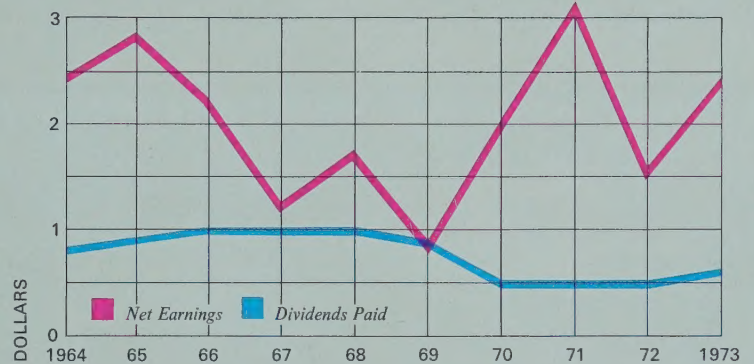
## NET SALES AND NET EARNINGS

Sales increased 21 per cent and earnings 55 per cent resulting from higher shipments and sales returns and economies realized from new facilities.



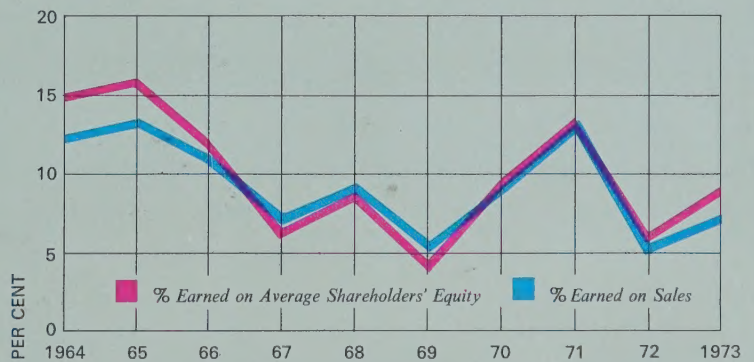
## NET EARNINGS AND DIVIDENDS PER SHARE

A dividend extra of 12½ cents declared in the last quarter boosted dividends in 1973 to 62½ cents per share which represented 25 per cent of net earnings.



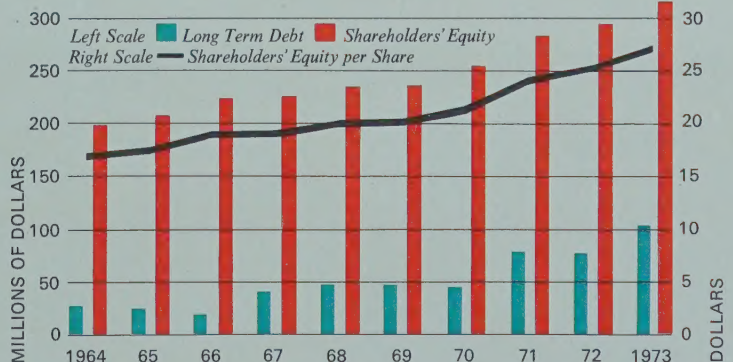
## PER CENT EARNED ON AVERAGE SHAREHOLDERS' EQUITY AND ON SALES

Earnings on equity and on sales increased to 9.3 per cent and 7.2 per cent respectively.

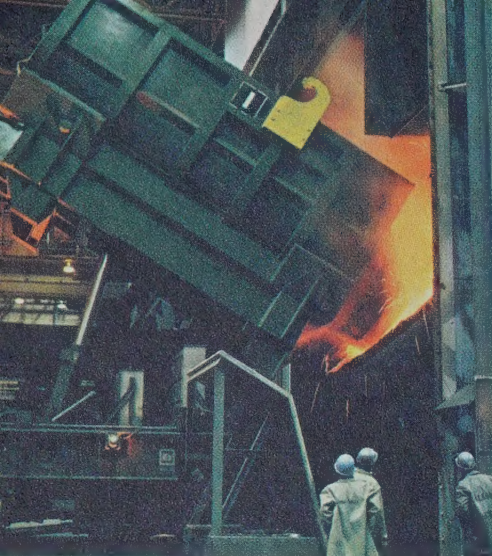


## LONG TERM DEBT AND SHAREHOLDERS' EQUITY

Shareholders' equity increased 7 per cent to \$27.32 per share. Long term debt amounted to 25 per cent of invested capital at year-end.



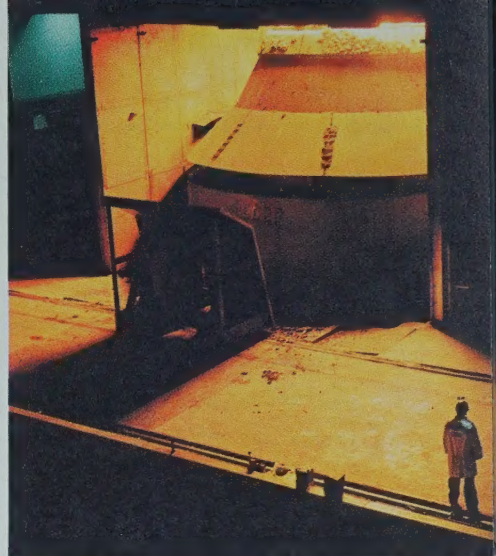




1. Ninety tons of prepared scrap are dumped into one of the 250-ton capacity basic oxygen steelmaking furnaces.



2. Molten iron (commonly referred to as hot metal) is added and the furnace is tilted back to its upright position.



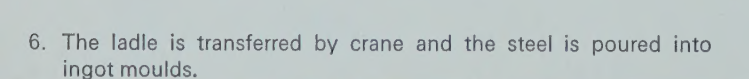
3. A water cooled lance is lowered into the furnace and oxygen is blown into the mixture to refine the hot metal and scrap into liquid steel.



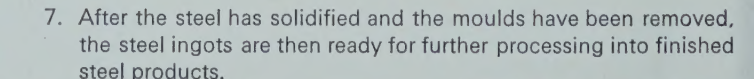
4. Computerized recording instruments keep the furnace operator completely informed throughout the refining process.



5. When the steel meets the desired specification, the liquid steel is poured into a ladle.



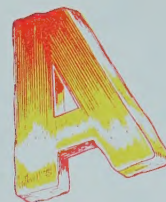
6. The ladle is transferred by crane and the steel is poured into ingot moulds.



7. After the steel has solidified and the moulds have been removed, the steel ingots are then ready for further processing into finished steel products.







Record shipments of steel products were attained during the second quarter and first half of the year with additional steel from the new No. 2 basic oxygen steel plant, reduction in inventory and continued strong demand. Sales increased 19 per cent and net earnings 40 per cent in the six months over the same period last year.

A folder is enclosed describing the new steel-making plant which was started up late in April. Four open hearth steelmaking furnaces have been shut down and operation of the remaining two will be discontinued during the third quarter. This will result in further economies.

Construction of other major facilities to expand capacity is proceeding on schedule. Erection of No. 7 blast furnace is well underway, construction of the slab casting plant has commenced and an order has been placed for No. 9 coke oven battery.

The order backlog is high for Algoma's entire range of steel products and it is expected that operations will be close to capacity throughout the balance of the year.

D. S. HOLBROOK  
CHAIRMAN and PRESIDENT

Sault Ste. Marie, Ontario  
July 27, 1973.

# QUARTERLY REPORT TO SHAREHOLDERS

for the period ended  
June 30, 1973

THE ALGOMA STEEL  
CORPORATION, LIMITED

# QUARTERLY REPORT

for the period ended June 30, 1973

2,590,000

To the Shareholders of The Algoma Steel Corporation, Limited:

A summary of consolidated results for the second quarter and first half of 1973 is given below with comparative figures for the same periods in 1972 and of source and application of funds for the first six months of each year:

	Three Months Ended June 30		Six Months Ended June 30	
	1973	1972 RESTATED*	1973	1972 RESTATED*
(tons and dollars in thousands except per share data)				
<b>PRODUCTION AND EARNINGS</b>				
Raw steel production ..... net tons	670	621	1,295	1,228
Net sales .....	\$ 93,408	80,991	\$ 183,526	154,766
Depreciation and amortization .....	\$ 5,871	5,305	\$ 11,257	10,500
Interest expense .....	\$ 2,099	1,742	\$ 4,095	3,468
Earnings before income taxes .....	\$ 5,333	3,932	\$ 10,122	7,327
Income taxes .....	\$ 771	405	\$ 1,189	905
Earnings before equity in earnings of associated company .....	\$ 4,562	3,527	\$ 8,933	6,422
Equity in earnings of associated company ....	\$ 1,223	881	\$ 2,042	1,444
Net earnings .....	\$ 5,785	4,408	\$ 10,975	7,866**
Net earnings per share .....	\$ 0.50	0.38	\$ 0.95	0.68**
<b>SOURCE AND APPLICATION OF FUNDS</b>				
<b>FUNDS WERE PROVIDED BY</b>				
Current operations .....			\$ 23,067	\$ 18,644
Proceeds from long term loan .....			4,300	—
			<u>27,367</u>	<u>18,644</u>
<b>FUNDS WERE APPLIED TO</b>				
Plant and equipment additions and mine development .....			27,165	23,327
Retirement of long term debt .....			—	235
Dividends .....			2,898	2,898
Investment in joint venture .....			—	3,036
Other - net .....			252	198
			<u>30,315</u>	<u>29,694</u>
<b>WORKING CAPITAL</b>				
Increase (decrease) during six months .....			(2,948)	(11,050)
At beginning of year .....			54,191	84,249
At end of June .....			<u>\$ 51,243</u>	<u>\$ 73,199</u>

\* Restated to show equity in earnings of an associated company which includes dividends received therefrom. The associated company's published earnings for the three and six month periods ended June 30 in each year were used for this purpose.

\*\*Includes \$686,000 (6 cents per share) recovery of doubtful accounts receivable in first quarter of 1972.

*Figures are unaudited and include estimates subject to adjustment when results for the full year are determined and audited.*